

# EXHIBIT 6

**DECLARATION OF ERIC PERREAULT**

I, Eric J. Perreault, declare as follows:

1. I am the Vice President for Research at Northwestern University (“Northwestern” or “the University”) in Evanston, Illinois. I have held this position since September 2023. I am also a biomedical engineer who has been a faculty member at Northwestern since 2002, holding appointments in the McCormick School of Engineering, the Feinberg School of Medicine, and the Shirley Ryan AbilityLab. My research is focused at the convergence of rehabilitation medicine and engineering, addressing fundamental challenges of human movement control relevant to individuals who have suffered from a stroke or spinal cord injury. This work has been funded by the National Institutes of Health (“NIH”) for more than 22 years. I am therefore personally familiar with the NIH and its positive impact on fundamental and translational science relevant to human health.

2. As Vice President for Research, I have personal knowledge of the contents of this declaration or have knowledge of the matters based on my review of information and records gathered by Northwestern personnel and could testify thereto.

3. Northwestern receives substantial annual funding from the NIH. Northwestern currently has approximately 1,425 active NIH awards. In fiscal year 2024, the University received approximately \$519 million in funding from the NIH; this represents both direct awards to Northwestern and subawards from other entities where the prime sponsor was NIH. Of this amount, approximately \$365.4 million was allocated to the direct costs for research and approximately \$153.6 million was allocated to the indirect costs supporting our overall research enterprise.

4. The funding Northwestern receives from the NIH supports critical, cutting-edge medical research benefitting millions of Americans. A few from among many examples are:

- a. **Alzheimer's disease research** at Northwestern encompasses all aspects of the disorder, from genetics, molecules, and cells to the individual patient, their families, and their communities. Our goal is to understand the cause of Alzheimer's and then to target the cause with novel therapeutic approaches for the treatment and ultimate prevention of the disease. For example, we investigate the enzymes that initiate the production of the  $\beta$ -amyloid peptide that plays a central early role in the pathogenesis of Alzheimer's. We also study rare genetic mutations that increase the risk of late-onset Alzheimer's disease. Further, we investigate how the microbiome affects inflammation in Alzheimer's disease. Together, these studies are informing current clinical care and the development of future interventions. This multifaceted research requires the involvement of specially trained neurologists, neuropsychologists, pathologists, social workers, basic and clinical scientists, and high-quality research facilities. The multidisciplinary approach of our research is unique and helps us advance toward the day when we can say Alzheimer's disease is just a memory.
- b. **Cardiology Clinical Trials.** Cardiovascular disease remains a potentially devastating condition impacting the entire U.S. population. Appropriately, focused investigation by research-intensive institutions, like Northwestern, informs treatment decisions and public health. At Northwestern, we host an

expansive cardiovascular research portfolio. Our discoveries now reduce the burden of disease, save lives and promote better cardiovascular health. For example, genomic variation contributes to nearly every cardiovascular disease. We are interfacing bioengineering techniques with human-induced pluripotent stem cell technologies to develop precision models of heart disease, enabling the testing of new therapies and improving the safety of existing and novel drugs. We also study inflammation, a central but poorly understood cause of cardiometabolic diseases. We are using cutting-edge instrumentation from Northwestern's core facilities to understand how inflammation is regulated, when it is beneficial, and when it can lead to deadly disease. Finally, nearly 60% of patients with heart failure have "heart failure with preserved ejection fraction," meaning the global contractile function of the left ventricle is not severely impaired. This form of heart failure disproportionately affects older individuals and women. Northwestern investigators have been at the forefront of developing four classes of therapies that are now proven to be beneficial in lowering cardiovascular morbidity and mortality.

- c. **The Robert H. Lurie Comprehensive Cancer Center** is a National Cancer Institute designated Comprehensive Cancer Center. It supports prostate cancer studies to better understand the underlying causes of prostate cancer as well as to improve diagnoses and treatment. It also supports detailed studies of brain cancer and in particular several clinical trials testing novel therapies for the almost always fatal glioblastoma multiforme.

5. Indirect costs are essential for supporting this research. The NIH's proposal to cut indirect cost rates to 15% would seriously jeopardize all NIH-funded research projects at Northwestern, including those described in Section 4. This work is critical to the continued understanding and treatment of disease for all Americans.

6. Indirect costs include expenses incurred for the operation, maintenance, preservation, and protection of the institution's assignable space to perform research. Indirect costs also include *partial reimbursement* for expenses incurred for general and utility services, repairs and alterations of buildings, furniture and equipment, environmental safety, and hazardous waste disposal, all necessities for performing research. These costs are considered indirect because they are not directly tied to a specific project but are required to ensure safe and functional spaces to carry out research and related activities.

7. Research performed at Northwestern relies on shared equipment and resources supported through indirect costs charged to NIH. These resources are shared across many research studies, creating efficiencies that would not be possible if they were allocated to a single project. Research could not be completed without the indirect costs that help maintain and support these resources. These resources include shared administrative resources, such as regulatory coordinators and clinical research coordinators, and highly specialized research equipment.

8. Physical space costs are one of the largest components of our federally negotiated indirect cost rate and the amount of space available to researchers has a direct and obvious impact on the amount of research that can be done. Northwestern is currently upgrading a generator to serve research facilities in Cook Hall and performing improvements in our building at 1801 Maple to support research translation. Both projects are on our Evanston campus. Reimbursements for this ongoing work would be jeopardized by a reduction in our negotiated indirect cost rate.

Additionally, we are in the late planning stages for adding 18 floors onto the Simpson Querrey Biomedical Research Building in downtown Chicago. This addition would add 560,000 gross square feet of space, bringing the total in the building to 1.2 million square feet. The construction is critical for the continued growth of Northwestern's biomedical research enterprise. We are also in the early stages of planning for a new engineering building to support laboratory research, including for medical technologies, on our Evanston campus. Both projects would be supported in part through indirect cost recovery and may not be able to move forward with a reduction in indirect costs for facilities and operations.

9. In addition, indirect costs fund the administration of awards, including professional staff who ensure compliance with a vast and growing number of federal regulatory mandates. These mandates serve important functions, including protecting human and animal subjects involved in research; ensuring research integrity; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

10. Through fiscal year 2026, the federally negotiated indirect cost rate for Northwestern is 60%. This rate is negotiated between Northwestern and the Department of Health & Human Services ("HHS") and is supported by evidence of actual costs incurred by the University. The negotiation includes documentation of operations and maintenance costs, square footage of buildings used for research, and administrative salaries. A reduction in the indirect cost rate would be devastating.

11. Based on Northwestern's fiscal year 2024 NIH funding, a reduction in the indirect cost rate from what Northwestern has negotiated with the federal government (60%) down to 15%, would reduce the University's maximum indirect cost recovery from these awards by approximately \$115.2 million, from approximately \$153.6 million down to approximately \$38.4 million. This reduction will have deeply damaging effects on Northwestern's ability to conduct research from day one. Northwestern relies on its indirect cost rates negotiated with HHS to inform its budgeting and planning. An abrupt and significant change to that rate would require corresponding adjustments to the University's budgets across campus. In fact, on February 12, 2025, Northwestern's senior leadership announced several cost-cutting measures in response to the potential impacts of this indirect cost rate reduction and other emerging federal directives and proposals. These measures include a 10% reduction in all non-personnel expense budgets for the current fiscal year, and a review of all pending and future personnel actions, including hiring, compensation increases, additional payments and other related actions. If the indirect cost rate reductions proposed by NIH are implemented, we expect this announcement to be just the first step in what could be drastic budget and personnel cuts in the upcoming fiscal year.

12. The significant reduction in the indirect cost rate proposed by NIH would also lead to other immediate harms to the University. For example:

- a. As mentioned above, Northwestern has already implemented across-the-board reductions in budgeted non-personnel expenditures, including capital expenditures. This would impact our ability to acquire and maintain state of the art equipment and facilities that are necessary to support Northwestern's cutting-edge research, including those impacts described in Paragraphs 7 and 8 above.

- b. The administrative burden of converting the indirect cost rate on the University's approximately 1,425 NIH active awards will be significant and costly. For instance, Northwestern's financial systems allow an indirect cost rate to be applied to an award budget and it then auto-calculates that rate as expenditures occur. If an indirect cost rate change of the kind proposed by NIH were to occur immediately, it would require IT personnel and resources to modify our systems to ensure accurate reimbursements, which has typically taken weeks (or even months) even with planned changes related to renegotiated rates.
- c. Northwestern collaborates with other institutions by means of subcontracts. All subcontracts (both incoming and outgoing) would require rebudgeting and renegotiation, requiring significant personnel time and effort. Additionally, it is likely that institutions would require changes to their scope of work as the amount of funding (if reduced) would not support the project. Other administrative challenges will occur with an abrupt reduction in IDC due to the inability to maintain staffing at our current levels, as most administrative staff in the research infrastructure are funded through IDC reimbursements.

13. Indirect costs represent reimbursements for actual costs associated with conducting research, not extra revenue to research institutions. Reducing the indirect cost rate paid to research institutions like Northwestern will not reduce the costs of research, but will instead create operating losses for research projects that Northwestern accepts from NIH. This is not



sustainable and could result in halts to existing NIH-funded research projects and reductions in future NIH awards accepted by the University.

14. Northwestern has for decades relied on the payment of indirect costs, and until now, we have been able to rely on the well-established process for negotiating indirect cost rates with the government to inform our budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, postdoctoral fellows, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases.

15. In addition to the immediate impacts and reliance interests described above, there are longer-term impacts that are both cumulative and cascading. A reduction in staffing will limit the scale and scope of research Northwestern faculty can pursue, including human subjects and animal studies, clinical trials, and large-scale healthcare informatics studies. All require substantial regulatory infrastructure and oversight to ensure safety and confidentiality. Many studies paused even for a short time would be difficult to restart without significant loss of time due to interruptions in the treatment protocol.

16. Disruptions to Northwestern's research will have negative effects across Chicago, the state of Illinois, and the broader region. There are currently 2,859 Faculty and 11,742 non-faculty staff employed by the University, which collaborates with state and local partners to help solve regional challenges through joint research and innovation. Northwestern's research also fuels spending in the regional economy, including by driving discoveries that launch new ventures, attract private investment, and make a positive social impact. The University's Innovation and New Ventures Office helps to facilitate start-up companies. There are currently over 500 people

employed at such companies. A massive reduction in Northwestern's research budget would immediately and seriously jeopardize these contributions to the local region.

17. Finally, slowdowns or halts in research by Northwestern and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our nation's national security and its economic dominance.

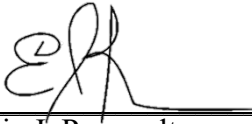
18. Northwestern cannot cover this funding gap alone. While the University maintains an endowment, it is neither feasible nor sustainable for the University to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery, for several reasons:

- a. The majority of Northwestern's endowment—around 52%—is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs. The University is not legally permitted to use those funds to cover research infrastructure costs.
- b. Even the portion of the endowment that is unrestricted supports mission-critical activities of the University, such as financial aid for undergraduate and graduate students and faculty recruitment. Moreover, this unrestricted portion of the endowment is subject to a carefully managed annual payout, typically around 5%, to ensure long-term financial stability for the institution.
- c. As a non-profit institution, Northwestern invests nearly all its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, Northwestern does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid for students.

19. Moreover, absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on Northwestern—which would in turn force reductions in key investments supporting the University’s faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain Northwestern’s academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 18, 2025, at Evanston, Illinois.

A handwritten signature in black ink, appearing to read 'EJP', is written over a horizontal line.

Eric J. Perreault  
Vice President for Research